

## INSURANCE DIVISION[191]

### Notice of Intended Action

**Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”**

**Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.**

Pursuant to the authority of Iowa Code section 502.605 and 2010 Iowa Acts, Senate File 2201, section 3, the Insurance Division hereby gives Notice of Intended Action to amend Chapter 50, “Regulation of Securities Offerings and Those Who Engage in the Securities Business,” Iowa Administrative Code.

The rules in Chapter 50 provide duties and procedures to follow for the regulation of securities offerings and those who engage in the securities business in Iowa. The proposed amendments to the rules update and clarify duties and procedures and require electronic filing of certain forms pursuant to 2010 Iowa Acts, Senate File 2201, section 3. The Division intends that persons and entities shall comply with the amendments beginning November 10, 2010, for securities offerings that are made in Iowa on or after November 10, 2010.

Any interested person may make written suggestions or comments on these proposed amendments on or before September 3, 2010. Such written materials should be directed to Rosanne Mead, Assistant Insurance Commissioner, Iowa Insurance Division, 330 Maple Street, Des Moines, Iowa; fax (515)281-3059.

Also, there will be a public hearing on September 3, 2010, at 10 a.m. at the offices of the Iowa Insurance Division, 330 Maple Street, Des Moines, Iowa, at which time persons may present their views either orally or in writing. At the hearing, persons will be asked to give their names and addresses for the record and to confine their remarks to the subject of the amendments.

Any persons who intend to attend a public hearing and have special requirements, such as those relating to hearing or mobility impairments, should contact the Division and advise of specific needs.

These amendments are intended to implement Iowa Code chapter 502 and 2010 Iowa Acts, Senate File 2201, section 3.

The following amendments are proposed.

ITEM 1. Rescind the definition of “NASD” in rule **191—50.1(502)**.

ITEM 2. Adopt the following **new** definition of “FINRA” in rule **191—50.1(502)**:  
“FINRA” means the Financial Industry Regulatory Authority.

ITEM 3. Strike “NASD” wherever it appears in **191—Chapter 50** and insert “FINRA” in lieu thereof.

ITEM 4. Amend subrule 50.10(1) as follows:

**50.10(1)** An applicant for an initial registration to conduct business as a broker-dealer must:

*a.* File a current Form BD. If the applicant is a member of FINRA, Form BD shall be filed with CRD. If the applicant is not a member of FINRA, Form BD shall be signed and notarized and filed with the administrator; and

~~*b.* File with the administrator copies of the applicant’s most recent audited financial statements prepared by an independent certified public accountant in accordance with generally accepted accounting principles and including, at a minimum, a balance sheet, income statement and net capital calculation;~~

~~*c. b.* Pay a \$200 filing fee. If the applicant is a member of FINRA, the fee shall be remitted to the CRD. If the applicant is not a member of FINRA, the fee shall be remitted to the administrator; and,~~

~~*d.* File with the administrator a completed Iowa Broker-Dealer Affidavit form including:~~

~~(1) A signed and notarized statement indicating that the applicant engaged in no securities transactions with persons in Iowa prior to registration or, if applicable, identifying all past and current accounts of persons in Iowa; and~~

~~(2) A signed consent to service of process pursuant to Iowa Code section 502.611. The form may be obtained from the Iowa Securities and Regulated Industries Bureau, 340 Maple Street, Des Moines, Iowa 50319-0066; via E-mail at [iowa.sec@iid.state.ia.us](mailto:iowa.sec@iid.state.ia.us); or from the division Web site at <http://www.iid.state.ia.us/division/securities>.~~

ITEM 5. Amend subparagraph **50.12(1)“a”(4)** as follows:

(4) Pay a \$30 \$40 filing fee to FINRA if applying for registration as an agent of an a FINRA member broker-dealer, or to the administrator if applying for registration as an agent of a non-FINRA member broker-dealer.

ITEM 6. Amend paragraph **50.12(4)“e”** as follows:

e. A \$30 \$40 filing fee.

ITEM 7. Amend paragraph **50.18(2)“d”** as follows:

d. Pays a \$30 \$40 filing fee.

ITEM 8. Adopt the following **new** subrule 50.60(7):

**50.60(7)** An investment company that makes a notice filing under subrule 50.60(2) on or after January 1, 2011, shall do so after implementing a system that will allow the investment company to file such submissions electronically by following the instructions on the insurance division’s Web site at [www.iid.state.ia.us](http://www.iid.state.ia.us).